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C O N F I D E N T I A L SECTION 01 OF 03 SARAJEVO 001494

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SUBJECT: BOSNIA - DAS JONES' SEPTEMBER 8-9 VISIT TO SARAJEVO

REF: SARAJEVO 1418

Classified By: Ambassador Charles English. Reason 1.4 (b) and (d).

¶1. (C) SUMMARY: During his September 8-9 visit to Sarajevo Deputy Assistant Secretary Stuart Jones met with Republika Srpska Prime Minister (RS PM) Milorad Dodik and attended a dinner hosted by the Ambassador with leaders from coalition parties and the leading opposition party (both events reported septel). DAS Jones also met with Bosnian Serb Presidency member Nebojsa Radmanovic, Bosnian Croat Presidency Member Zeljko Komsic, Defense Minister Selmo Cikotic, Foreign Minister Sven Alkalaj, and Deputy Principal High Representative (DPHR) Raffi Gregorian, and participated in a lunch with business leaders from the American Chamber of Commerce in Bosnia. The incompatible political visions of Serb, Croat and Bosniak parties were clearly visible throughout the visit. Bosnian Serb interlocutors stressed the importance of preserving the Republika Srpska (RS), retaining as much as possible of current Dayton structures, and closing the Office of High Representative (OHR). Bosniak politicians stressed the importance of constitutional reform to strengthen the state. Croat politicians also emphasized the need for constitutional reform. Jones stressed the importance of making step by step progress, focusing first on meeting the objectives and conditions for closing the Office of High Representative (OHR) and satisfying EU requirements for progress on Bosnia's Stabilization and Association Agreement (SAA). He also noted U.S. concerns over criticism by Bosnian Serb politicians of Deputy Principal High Representative Raffi Gregorian. Foreign Minister Alkalaj informed Jones that Bosniak tri-Presidency member Haris Silajdic would be traveling to the U.S. in late September, and hoped to meet American officials at that time, including Assistant Secretary Dan Fried and Ambassador for War Crimes Clint Williamson. END SUMMARY

Radmanovic: Close the OHR

¶2. (C) Bosnian Serb tri-presidency member Radmanovic stressed that he and most Bosnian Serbs are comfortable with the constitutional structure established by the Dayton Agreement, and only support constitutional changes if they are necessary to make the government more efficient. He said replacing the tri-presidency with a single president and enlarging the parliament were the modest kinds of changes that might potentially be acceptable. Radmanovic also argued that the OHR is no longer necessary in Bosnia, and is in fact counterproductive, because if the HighRep were gone Bosnian parties would be forced to compromise. Radmanovic stressed that he supports Bosnia's aspiration to join the EU and the presence of an EU Special Representative (EUSR). The EUSR's

role, he argued, should be to focus Bosnian political leaders on the requirements for making progress toward the EU so that they could make the necessary compromises.

¶13. (C) Jones said the U.S. would also like to see a Bosnia that is free of direct international supervision, but this could only happen if Bosnia fulfills the five objectives and two conditions for closing the OHR. He said the best way forward is to proceed step by step by reaching compromises on such issues as state property and the status of Brcko. Radmanovic argued that these issues would be hard to solve because some Bosniak parties would obstruct negotiations simply in order to keep the OHR from closing.

¶14. (C) The Ambassador told Radmanovic that DPHR Gregorian plays a special role on Brcko, and had determined that a constitutional amendment is required to ensure that the Brcko status decision would become part of the fabric of the country. The Ambassador said the U.S. was deeply disappointed when Radmanovic's party, the SNSD, changed its position on this issue and now favored passing a law rather than a constitutional amendment. The Ambassador stressed that with SNSD support a constitutional amendment could pass that would take the Brcko issue "off the table," even though Silajdic's SBiH would not support it. Radmanovic said the SNSD is committed to resolving the Brcko issue, but they had never believed a constitutional amendment was necessary. If they determined that it was, they would be prepared to support it, he said. DAS Jones noted that he was dismayed by attacks on Gregorian in the Bosnian press. He noted that Gregorian represents the view of the USG and has our full

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support.

¶15. (C) Radmanovic said that American investment in Bosnia is lagging behind investment by Russia and Islamic countries, and encouraged DAS Jones to find ways to promote investment from the U.S. Jones said the U.S. Government is committed to making American companies aware of investment opportunities here. The Ambassador noted that the U.S. Government will encourage American businesses to consider Bosnia carefully, but Bosnia and Herzegovina must improve the investment climate and make a compelling case that U.S. companies could be successful here.

¶16. (C) Radmanovic said he was unhappy to read the letter Assistant Secretary Fried sent RS PM Dodik on July 18, and was especially disturbed by a section of the letter which criticized the RS for not sending high quality officials to serve in state-level institutions. He asked whether Fried could have been referring to Radmanovic himself. DAS Jones assured him that Fried was not referring to elected officials in the State government like Radmanovic, but to civil servants sent from the RS to serve in state level agencies.

Presidency Member Zeljko Komsic: Bleak Prospects for Reform

¶17. (C) In his meeting with DAS Jones, Bosnian Croat Presidency member Zeljko Komsic was extremely pessimistic about the prospects for political progress in Bosnia. He said current state level political leaders, who will be in power until the general elections in 2010, are unlikely to agree on any significant reforms, including meaningful constitutional amendments. Komsic was also skeptical that Bosnia would undertake significant reforms to fulfill requirements of their Stabilization and Association Agreement (SAA) with the EU. He argued that EU members will go easy on Bosnia, among other reasons because the EU would also want to make accession easier for Serbia. Komsic said Europe is giving higher priority to other issues besides Bosnia, such as EU relations with Russia.

¶18. (C) Jones said he was concerned about Komsic's predictions, because two more years of drift in Bosnia would

not be acceptable--neither Bosnia nor the international community could wait that long. He added that his European contacts complain about the difficulties of absorbing new members. As a result, standards for progress toward EU accession are likely to get higher rather than lower. Jones said the U.S. would like to see EU requirements provide real incentives for political reforms that could promote political stability and economic development. Jones noted that this process worked well in other countries that eventually joined the EU.

¶9. (C) In response to a question from the Ambassador about what the Bosnian Croats could do within Dayton structures to address their own problems, Komsic said he favors a different approach from most leading Bosnian Croat parties. He said Croats could get further if they cooperated in creating a strong central state and ensuring that they have one third of the positions in that state. Leaders of the most important Croat parties are pushing instead for a third Croat entity. Komsic said such an entity is impractical for a number of reasons. No matter how the boundary of such an entity was drawn, he said, many ethnic Croats would be left within entities dominated by the other ethnic groups. Moreover, he said, there is no way to draw a boundary line between Croats and Bosniaks in Central Bosnia "without sparking a war."

Minister of Defense Cikotic

¶10. (C) Minister of Defense Selmo Cikotic reiterated to DAS Jones BiH's commitment to contribute to international missions like their current deployment in Iraq. Deployments to international missions are important, he said, to re-energize staff, focus training and project BiH's presence abroad. He emphasized the importance of consistent progress towards NATO and the EU. On BiH's defense reform (which constitutes one of the PIC conditions for the closure of OHR and is a Bosnian obligation under its NATO Partnership Action Plan), the Minister said that progress is moving more slowly than he had expected. A framework for implementing the agreement on moveable defense property is stuck in the

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presidency. Reaching a deal on immovable property will be even more difficult, he said. While the Minister refused to anticipate the resolution of the question of ownership of BiH's defense real estate property, he talked about the possibility of an interim deal under which the Armed Forces would not own any real estate but would be guaranteed indefinite, rent-free use with the right to make upgrades, a compromise (albeit "interim") much closer to the Serb line (and the de facto status quo) than Bosniak parties (like SDA who supported Cikotic for the his post) like to wander. More broadly, Cikotic noted the difficulty of reform given the political realities in BiH, arguing that parties, not state institutions, take all real decisions.

FM Sven Alkalaj

¶11. (C) Foreign Minister Alkalaj stressed that the government is seized now with trying to fulfill the tasks set for it by the EU SAA process. He said progress on a number of tasks would be difficult because of political differences between parties in the Federation and the RS. Alkalaj also noted that Bosniak tri-Presidency member Haris Silajdic would be traveling to New York in the end of September for the opening of the UN General Assembly, and would like to meet American officials at that time, including Assistant Secretary Dan Fried and Ambassador for War Crimes Clint Williamson. Alkalaj said Silajdic hoped to talk to them about, among other issues, the importance of speedy trial and punishment for accused war criminal Radovan Karadzic. Alkalaj also voiced concerns about the Serb efforts to refer the decision on Kosovo independence to the International Court of Justice (ICJ). He admitted that, due to the influence of Bosnian

Serbs, the Bosnian government is likely to officially abstain on this issue. DAS Jones stressed that any efforts Alkalaj could make to persuade Organization of Islamic Countries (OIC) such as Saudi Arabia, Malaysia and Indonesia to oppose the referral would be much appreciated.

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